

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name HARTLAND TOWNSHIP	County LIVINGSTON
Audit Date 3/31/04	Opinion Date 9/8/04	Date Accountant Report Submitted to State: 9/8/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)

PFEFFER, HANNIFORD & PALKA, P.C.

Street Address

225 E. GRAND RIVER, STE. 104

City

BRIGHTON

State

MI

ZIP

48116

Accountant Signature

David B. Tozer, CPA

Digitally signed by David B. Tozer, CPA
DN: CN = David B. Tozer, CPA, C = US, O = PHP
Reason: I am approving this document
Date: 2004.09.08 08:19:47 -0400

Date

9/8/04

HARTLAND TOWNSHIP

REPORT ON AUDIT OF
GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED MARCH 31, 2004

HARTLAND TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Donald Rhodes
Clerk - Ann Ulrich
Treasurer - Kathleen Horning

TOWNSHIP BOARD

Donald Hill
Kathleen Horning
Douglas Kuhn
Vicinia Phillips
Donald Rhodes
Ann Ulrich
Donald Wyland

TOWNSHIP ATTORNEY

Foster, Swift, Collins & Smith, P.C.

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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PFEFFER • HANNIFORD • PALKA
Certified Public Accountants

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September 8, 2004

Board of Trustees
Hartland Township
3191 Hartland Road
Hartland, Michigan 48029

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying general purpose financial statements of Hartland Township as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the township board. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Hartland Township, as of March 31, 2004, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Hartland Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Pfeffer Hanniford & Palka

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED
FINANCIAL
STATEMENTS

HARTLAND TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
<u>ASSETS</u>				
Cash	\$ 1,517,749	\$ 2,002,129	\$ 2,290	\$ 698,718
Receivables				
State shared revenues	114,937			
Taxes	144,927	56,560		
Accounts	9,689	459,706		
Special assessment				
Inventory	138,173			
Due from other funds				
Accrued interest receivable				
Restricted assets				
Cash				
Special assessment				
Deferred expenses- debt issuance costs				
Buildings and land				
Machinery and equipment				
Construction in progress				
Utility systems, net of depreciation				
Amount available in debt service fund				
Amount to be provided for retirement of general long-term debt				
	<u>\$ 1,925,475</u>	<u>\$ 2,518,395</u>	<u>\$ 2,290</u>	<u>\$ 698,718</u>
Total assets				
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities	\$ 192,296	\$ 19,604	\$	\$
Accounts payable	42,661	3,142		
Accrued expenditures/expenses		1,069	2,290	
Due to other funds				
Notes payable				
Bonds payable				
Contract payable - LCDC				
Contract payable - LCDC - ineligible costs				
Retainage payable				
Escrow deposits				
Land contract payable				
Deferred revenues	<u>50,560</u>			
Total liabilities	<u>285,517</u>	<u>23,815</u>	<u>2,290</u>	
Fund Equity				
Investment in general fixed assets				
Retained earnings				
Fund balance				
Reserved	<u>1,639,958</u>	<u>2,494,580</u>		<u>698,718</u>
Unreserved				
Total fund equity	<u>1,639,958</u>	<u>2,494,580</u>		<u>698,718</u>
Total liabilities and fund equity	<u>\$ 1,925,475</u>	<u>\$ 2,518,395</u>	<u>\$ 2,290</u>	<u>\$ 698,718</u>

The accompanying notes are an integral part of these financial statements

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTALS MEMORANDUM ONLY)	
	Agency	Expendable Trust	General Fixed Assets	General Long-Term Debt	38104	38103
Enterprise						
\$ 1,119,645	\$ 890,382	\$ 3,846	\$	\$	\$ 6,234,759	\$ 5,191,851
					114,937	117,122
					201,487	84,508
632,322					1,101,717	223,796
						491
20,108					20,108	20,388
912					139,085	119,536
29,269					29,269	24,950
9,787,633		104,793			9,892,426	6,090,453
12,326,428					12,326,428	13,389,288
115,920			4,218,597		115,920	129,651
			586,591		4,218,597	4,214,862
					586,591	1,783,798
						1,060,878
					20,546,229	21,016,802
20,546,229				2,290	2,290	25,938
				1,396,704	1,396,704	1,455,432
<u>\$ 44,578,466</u>	<u>\$ 890,382</u>	<u>\$ 108,639</u>	<u>\$ 4,805,188</u>	<u>\$ 1,398,994</u>	<u>\$ 56,926,547</u>	<u>\$ 54,949,744</u>
\$ 121,464	\$	\$ 9	\$	\$	\$ 333,373	\$ 382,982
157,380					203,183	219,191
1,572	134,154				139,085	119,536
				1,398,994	1,398,994	1,481,370
12,700,000					12,700,000	8,920,000
5,245,441					5,245,441	5,738,454
255,000					255,000	270,000
						8,640
	756,228				756,228	
441,900					441,900	530,280
					50,560	250,246
<u>18,922,757</u>	<u>890,382</u>	<u>9</u>		<u>1,398,994</u>	<u>21,523,764</u>	<u>17,920,699</u>
			4,805,188		4,805,188	5,998,660
25,655,709					25,655,709	26,414,589
		108,630			108,630	135,052
					4,833,256	4,480,744
<u>25,655,709</u>		<u>108,630</u>	<u>4,805,188</u>		<u>35,402,783</u>	<u>37,029,045</u>
<u>\$ 44,578,466</u>	<u>\$ 890,382</u>	<u>\$ 108,639</u>	<u>\$ 4,805,188</u>	<u>\$ 1,398,994</u>	<u>\$ 56,926,547</u>	<u>\$ 54,949,744</u>

HARTLAND TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Project
REVENUES				
Property taxes and assessments	\$ 419,570	\$ 988,215	\$	\$
Licenses and permits	30,507	5,421		
State shared revenues	749,327			
Grant - federal		940,711		
Sales of assets		89,540		
Charges for services	202,586	14,941	150	6,102
Interest	23,224	5,823		
Miscellaneous	5,445			
Total revenues	<u>1,430,659</u>	<u>2,044,651</u>	<u>150</u>	<u>6,102</u>
EXPENDITURES				
Board/elected officials departments	413,076			
General operations	649,207			
Public safety	142,674	1,082,247		
Miscellaneous		68,655		7,188
Roads and streets	483,582	95,451		
Capital outlay	37,563	151,547	4,989	
Debt service				
Total expenditures	<u>1,726,102</u>	<u>1,397,900</u>	<u>4,989</u>	<u>7,188</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>295,443)</u>	<u>646,751</u>	<u>(4,839)</u>	<u>(1,086)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		500,000		
Transfers (out)	<u>600,000)</u>			
Total other financing sources (uses)	<u>600,000)</u>	<u>500,000</u>		
Excess (deficiency) of revenues over expenditures after other financing sources (uses)	<u>(795,443)</u>	<u>1,146,751</u>	<u>(4,839)</u>	<u>(1,086)</u>
FUND BALANCE APRIL 1, 2003	<u>2,433,111</u>	<u>1,315,275</u>	<u>7,129</u>	<u>732,358</u>
RESIDUAL EQUITY TRANSFERS IN (OUT)	<u>2,290</u>	<u>32,554</u>	<u>(2,290)</u>	<u>(62,554)</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 1,639,958</u>	<u>\$ 2,494,580</u>	<u>\$</u>	<u>\$ 698,718</u>

The accompanying notes are an integral part of these financial statements

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
Expendable Trust	38104	38103
\$	\$ 1,407,785	\$ 1,319,187
	35,928	31,319
	749,327	804,160
		11,641
	940,711	
1,903	294,029	257,415
816	45,233	69,331
	11,268	39,294
<u>2,719</u>	<u>3,484,281</u>	<u>2,532,347</u>
	413,076	438,306
18,277	667,484	550,543
	1,224,921	660,037
	75,843	52,668
	483,582	84,687
3,735	136,749	718,692
	156,536	240,348
<u>22,012</u>	<u>3,158,191</u>	<u>2,745,281</u>
<u>(19,293)</u>	<u>326,090</u>	<u>212,934)</u>
	500,000	106,875
	500,000)	(106,875)
(19,293)	326,090	212,934)
127,923	4,615,796	4,828,730
<u>\$ 108,630</u>	<u>\$ 4,941,886</u>	<u>\$ 4,615,796</u>

HARTLAND TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes and assessments	\$	\$ 419,570	\$
Licenses and permits		30,507	
State shared revenues		749,327	
Sale of assets			
Charges for services		202,586	
Interest		23,224	
Miscellaneous		5,445	
Total revenues	<u>1,552,222</u>	<u>1,430,659</u>	<u>(121,563)</u>
EXPENDITURES			
Board/elected officials departments		413,076	
General operations		686,770	
Public safety		142,674	
Roads and streets		483,582	
Total expenditures	<u>2,499,228</u>	<u>1,726,102</u>	<u>773,126</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	947,006)	295,443)	651,563
OTHER FINANCING SOURCES (USES)			
Transfer in			
Transfer (out)	<u>25,000)</u>	<u>500,000)</u>	<u>475,000)</u>
Total other financing sources (uses)	<u>25,000)</u>	<u>500,000)</u>	<u>475,000)</u>
Excess (deficiency) of revenues over expenditures after other financing sources (uses)	972,006)	795,443)	176,563
FUND BALANCE, APRIL 1, 2003	2,433,111	2,433,111	
RESIDUAL EQUITY TRANSFERS IN (OUT)	<u>19,300</u>	<u>2,290</u>	<u>(17,010)</u>

FUND BALANCE, MARCH 31, 2004 \$ 1,480,405 \$ 1,639,958 \$ 159,553

The accompanying notes are an integral part of these financial statements

SPECIAL REVENUE FUNDS			TOTALS MEMORANDUM ONLY)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$	\$ 988,215 5,421	\$	\$	\$ 1,407,785 35,928 749,327 940,711 292,126 38,165 11,268	\$
	940,711 89,540 14,941 5,823				
<u>1,015,100</u>	<u>2,044,651</u>	<u>1,029,551</u>	<u>2,567,322</u>	<u>3,475,310</u>	<u>907,988</u>
				413,076 760,232 1,467,112 483,582	
<u>1,062,480</u>	<u>1,397,900</u>	<u>835,420)</u>	<u>3,561,708</u>	<u>3,124,002</u>	<u>437,706</u>
(47,380)	646,751	694,131	(994,386)	351,308	1,345,694
	500,000	500,000		500,000 500,000)	500,000 475,000)
	<u>500,000</u>	<u>500,000</u>	<u>25,000)</u>		<u>25,000</u>
(47,380)	1,146,751	1,194,131	(1,019,386)	351,308	1,370,694
1,315,275	1,315,275		3,748,386	3,748,386	
	<u>32,554</u>	<u>32,554</u>	<u>19,300</u>	<u>34,844</u>	<u>15,544</u>
<u>\$ 1,267,895</u>	<u>\$ 2,494,580</u>	<u>\$ 1,226,685</u>	<u>\$ 2,748,300</u>	<u>\$ 4,134,538</u>	<u>\$ 1,386,238</u>

STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN
RETAINED EARNINGS
ENTERPRISE FUNDS

HARTLAND TOWNSHIP
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

OPERATING REVENUES		
User charges	\$ 644,971	
Connections fees	1,468,350	
Meter sales	<u>38,950</u>	
Total operating revenues		\$ 2,152,271
OPERATING EXPENSES		
Expansion projects	2,001,830	
Depreciation	483,328	
Consulting engineer	153,897	
Contract services	248,779	
Lease - equipment	50,000	
Meters	38,469	
Utilities	6,187	
Legal fees	10,523	
Insurance	14,600	
Assessments	20,151	
Repairs and maintenance	44,436	
Supplies and postage	3,368	
Miscellaneous	<u>1,934</u>	
Total operating expenses		<u>3,077,502</u>
Operating (oss)		ø25,231)
NON-OPERATING REVENUES AND EX PENSES)		
Interest income - special assessments	607,888	
Interest income - cash and cash equivalents	126,667	
Amortization - bond fees	(14,747)	
Rental and other income	42,625	
Interest expense	<u>596,082)</u>	
Total non-operating revenues		<u>166,351</u>
Net (oss)		758,880)
RETAINED EARNINGS AT APRIL 1, 2003		<u>26,414,589</u>
RETAINED EARNINGS AT MARCH 31, 2004		<u>\$25,655,709</u>

The accompanying notes are an integral part of these financial statements

STATEMENT OF
CASH FLOWS
ENTERPRISE FUNDS

HARTLAND TOWNSHIP
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		\$ 025,231)
Operating (oss)		
Adjustments to reconcile operating (oss) to		
net cash from (used in) operating activities		
Abandoned expansion project	\$ 1,060,878	
Depreciation/amortization	490,048	
Rental and other income	42,625	
Changes in assets and liabilities		
(ncrease)in accounts receivable	(443,574)	
Decrease in inventory	280	
Decrease in due from other funds	42,761	
Increase in accounts payable	58,469	
(Decrease)in due to other funds	<u>42,725)</u>	
Total adjustments		<u>1,208,762</u>
Net cash from operating activities		283,531
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,755)	
Special assessment collections - principal and interest	1,670,748	
Repayment of debt - contracts and bonds	(1,778,649)	
Proceeds on sale of bonds	<u>4,350,000</u>	
Net cash from capital and related financing activities		4,229,344
CASH FLOWS FROM INVESTING ACTIVITIES		<u>119,853</u>
Interest on cash and cash equivalents		
Net increase in cash and cash equivalents		4,632,728
CASH AND CASH EQUIVALENTS AT APRIL 1, 2003		<u>6,274,550</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2004		<u>\$10,907,278</u>

The accompanying notes are an integral part of these financial statements

NOTES
TO
FINANCIAL
STATEMENTS

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

In accordance with the criteria established by Governmental Accounting Standards Board (GASB) Statement Number 39, all funds, agencies and activities of the Township have been included in the financial statements.

BLENDED COMPONENT UNIT

Building Authority - The Hartland Township Building Authority is governed by a 5 member board appointed by the Township Board. Although it is legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings. The Building Authority is reported as a Capital Project Fund in the general purpose financial statements.

B. BASIS OF PRESENTATION

The accounts of the Township are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The transactions of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses/expenditures. Funds are ordered into three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The funds and account groups used by the Township are as follows:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which general governmental functions of the Township are financed. The acquisition, use and balances of the Township's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following are the Township's Governmental Fund types:

General Fund - The General Fund is the main operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. There are four Special Revenue Funds as follows:

1. Liquor Law Enforcement Fund - Accounts for costs incurred in enforcing compliance with federal, state and local regulatory requirements of establishments operating under a liquor license.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Fire Operating Fund - Accounts for all activities of the Hartland Township Fire Department. Its revenues are predominantly a special levied tax millage and charges for fire runs.
3. Township Improvement Revolving Fund - Accounts for money advanced from the general fund in accordance with statutory provisions. The amount advanced is limited to 2 mills of state equalized valuation per year. The funds total balance may not exceed 5 mills. This fund is used primarily for improvements in the Township.
4. Cable Television Fund - Accounts for the monies contributed by Comcast Cablevision, the cable television provider, for the purchase of equipment. Also, monies collected from Adelphia Entertainment which are franchise fees in the amount of 5% of revenues derived within the Township.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from special assessments levied by the Township. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures of this fund.

Capital Projects Funds - These funds account for financial resources segregated for the acquisition of major capital facilities. The three Capital Projects Funds are:

1. Building Authority Fund
2. Capital Improvement Fund
3. Fire Hall Construction Fund

PROPRIETARY FUND TYPES

Proprietary Funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position and changes in cash flows. All assets and liabilities associated with a Proprietary Funds activities are included on its balance sheet. Proprietary Fund equity is segregated into contributed capital and retained earnings. The Township has one Proprietary Fund type as follows:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. There are two Enterprise Funds:

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sewage Disposal System Fund - Pursuant to Government Accounting Standards Board (GASB) statement No. 6, transactions of a service type special assessment should be reported in the fund type that best reflects the nature of the transactions.

Hartland Township has created the sewage disposal system enterprise fund to record liabilities, bonds and contracts payable and the related capital asset "sewage treatment plant" and "construction in progress". The Township collects special assessments from residents in the sewage district and then makes payments to reduce the bonds and contracts payable liabilities. The Township also records the operations and maintenance in this enterprise fund (revenues and expenses). Thus, this Enterprise Fund encompasses all activity related to the sewer system in Hartland Township.

Water System Fund - This fund accounts for all activity related to the construction, operation, and maintenance of a water system for township residents.

FIDUCIARY FUND TYPES

Fiduciary Fund types are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds using a modified accrual basis of accounting as discussed in note 1C). Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The three Fiduciary funds are:

1. Current Tax Collection Fund - Accounts for the collection and disbursement of the annual tax levies.
2. Trust and Agency Fund - Accounts for the custodianship of various performance and escrow deposits made by residents of and/or companies doing business in Hartland Township. In addition, it receives and disburses all delinquent taxes.
3. Cemetery Trust Fund - Accounts for all activities in the maintaining of four cemeteries. Its revenue is received from sale of lots as well as earnings from grants designated for such purposes. This is an expendable trust fund, thus monies designated to the fund may be spent.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Township's general fixed assets and general long-term debt obligations. The two account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

1. General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Township, other than those assets accounted for in the Proprietary Funds. Capital outlay in funds other than Proprietary Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. General Long-Term Debt Account Group - This account group is established to account for all of the Township's long-term debt and governmental fund compensated absences that will be financed from general governmental resources. Long-term liabilities of all Proprietary Funds are accounted for in those funds.

C. MEASUREMENT FOCUS BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Governmental Fund Types (General, Special Revenue, Debt Service and Capital Project Funds) and Expendable Trust Funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Agency Funds also use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year, and accrued vacation and sick leave which is recorded when payable from current available financial resources.

The revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, charges for service, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned, including unbilled water/sewer services which are accrued. Expenses are recorded at the time liabilities are incurred.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETARY CONTROL

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approval by the entire Township board. The budget is approved by functional activity, rather than line by line. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made and approved by the Township board at any of their regular meetings. Budget appropriations made but not expended by year end will lapse with the fiscal year end.

For the year ended March 31, 2004, expenditures exceeded appropriations in several functional activities.

E. FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or financial flow measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations or contributed capital. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	25-50 years
Equipment	3-10 years

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY TAXES

Property tax revenues are recognized in the fiscal year for which the taxes are levied. The collection period is from December 1 to February 28 of the following year. Any uncollected real property taxes are returned to the Livingston County Treasurer. The county sells tax notes, the proceeds of which will be used to pay the Township for these property taxes. The revolving fund payment occurred in June 2004 for 2003 taxes levied.

Michigan personal property tax assessments have been based, since the 1960s, on the use of one or more of several different multiplier tables formulated by the State Tax Commission against taxpayer reported original cost, depending on the assessor's view of the average life of the personal property. The State Tax Commission has indicated that it plans to reformulate the multipliers. The State Tax Tribunal has informally indicated that once the new multipliers are approved, it may allow them to be applied retroactively in pending personal property tax appeals.

The 2003 adjusted taxable value of the Township totaled \$10,436,571. The township levies the following millage:

General township	0.8222
Fire	<u>1.9331</u>
Total millage	<u>2.7553</u>

G. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 2 - STATEMENT OF CASH FLOWS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. The indirect method was utilized to present cash flows from operations. The following is a schedule of beginning and ending cash and cash equivalents:

	<u>April 1, 2003</u>	<u>March 31, 2004</u>
Current assets		
Cash and cash equivalents	\$ 288,161	\$ 1,119,645
Restricted assets		
Cash and cash equivalents	<u>5,986,389</u>	<u>9,787,633</u>
Cash and cash equivalents	<u>\$ 6,274,550</u>	<u>\$ 10,907,278</u>

NOTE 3 - INTERFUND BALANCES

All interfund balances are short-term in character. Interfund transfers will be collected during the next reporting period. The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 138,173	\$
Water fund	912	36
Fire fund		1,069
Tyrone debt service fund		2,290
Sewage disposal system		1,536
Current tax fund		32,327
Trust and agency fund	<u> </u>	<u>101,827</u>
	<u>\$ 139,085</u>	<u>\$ 139,085</u>

NOTE 4 - OTHER FINANCING SOURCES (USES)

The transfers of cash between the various funds are budgeted but reported separate from revenues and expenditures as operating transfers in or (out) unless they represent temporary advances that are to be repaid, in which case they are carried as assets or liabilities of the advancing or borrowing fund.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 5 - EMPLOYEE RETIREMENT PLAN

The Township participates in the Manulife Defined Contribution Pension Plan Group No. 60145 for Michigan Township employees. This is a single-employer plan. Substantially all full-time employees, elected officials and trustees are included in the plan. Plan eligibility is a minimum age of 18 and not more than 75. The plan is 75% contributory by the Township and 25% by the employee. For employees with annual compensation of \$,000 or more, the total annual contribution is \$00. Annual compensation used to determine the current year contribution is as of February 1, preceding the year. Contribution information is as follows:

	<u>Employer</u>	<u>Employee</u>	<u>Total</u>
TOTAL CURRENT YEAR CONTRIBUTIONS	<u>\$ 13,589</u>	<u>\$ 4,465</u>	<u>\$ 18,054</u>
ACCOUNT VALUE AT LAST ANNUAL STATEMENT			<u>\$ 93,882</u>

These balances reflect contributions for the period from February 1, 2002 to January 31, 2003. The current year employer contribution for the year ended March 31, 2004, was \$5,429. Interest has been credited to January 31, 2003. No statements are available for the period subsequent to this plan year.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

On October 1, 2003 the Township transferred fire protection services to the Hartland Deerfield Tyrone Fire Authority. The assets were transferred with this transaction to be recorded as the Townships contribution to the Authority. The other member townships, Deerfield and Tyrone are to reimburse Hartland for its share of the Authority's assets.

A summary of changes in general fixed assets is as follows:

	Balance <u>4/1/03</u>	Additions	Deletions	Balance <u>3/31/04</u>
ASSETS				
Land and improvements	\$ 227,343	\$	\$	\$ 227,343
Building improvements	252,505			252,505
Voting equipment	45,081			45,081
Office equipment	295,596	34,898		330,494
Fire fighting equipment	1,238,890	96,665	1,335,555	
Fire hall and tower	2,445,463			2,445,463
Building Authority	240,599			240,599
Parks and recreation	968,819			968,819
Cemetery - land and improvements	80,133	3,735		83,868
Cable TV	<u>204,231</u>	<u>6,785</u>		<u>211,016</u>
Total assets	<u>\$ 5,998,660</u>	<u>\$ 142,083</u>	<u>\$ 1,335,555</u>	<u>\$ 4,805,188</u>

A summary of changes in the proprietary funds fixed assets is as follows:

	Balance <u>4/1/03</u>	Additions	Deletions	Balance <u>3/31/04</u>
ASSETS				
Utility systems	\$ 21,593,796	\$ 12,755	\$	\$1,606,551
Land	<u>1,547,230</u>			<u>1,547,230</u>
Total	23,141,026	12,755		23,153,781
Less accumulated depreciation	<u>(2,124,224)</u>	<u>(483,328)</u>		<u>(2,607,552)</u>
Net	<u>\$ 21,016,802</u>	<u>\$ 470,573)</u>	<u>\$</u>	<u>\$ 20,546,229</u>

CONSTRUCTION IN PROGRESS

Sewer	<u>\$ 1,060,878</u>	<u>\$</u>	<u>\$ 1,060,878</u>	<u>\$</u>
-------	---------------------	-----------	---------------------	-----------

The Township abandoned its planned expansion of the existing sewer system. The accumulated costs of \$1,060,878 were reported in construction in progress and were reclassified as expenses in the current year due to lack of any future benefit. Currently, the Township is undergoing construction efforts to hook up to Genesee County System instead of expansion.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 7 - LONG-TERM DEBT

The following is a summary of the Townships debt categorized as general or proprietary for the year ended March 31, 2004:

	Balance 4/03	Additions	Deletions	Balance 3/1/04
	\$ 1,481,370	\$	\$ 82,376	\$ 1,398,994

GENERAL LONG-TERM DEBT

Installment purchase agreement with National City Bank; used to finance an addition onto the fire hall; interest charge at 4.9% payable through August 2016 with monthly installments of \$2,628.88.

PROPRIETARY LONG-TERM DEBT

1. Bonds payable System No. 1 sanitary drainage district refunding bonds) interest is charged at 3% to 5.4% proceeds were used to call original bonds issued (1986 series) payable to Livingston County Drain Commission; matures in the year 2004.
2. Bonds payable Water System Special Assessment Bonds, Series 2001) interest is charged at 4.5% 4. 6% payable to Livingston County through the year 2021 with principal payments annually from \$50,000 to \$75,000.

8,725,000 450,000 8,275,000

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 7 - LONG-TERM DEBT (continued)

	Balance 4/03	Additions	Deletions	Balance 3/04
3. The Township expanded its sewer system into district # and connecting branches. Financing was done through bond sales through the Michigan State Revolving Loan Fund Program. The Livingston County Drain Commission signed an agreement with the Township to be the intermediary between the Township and state. Interest is charged at 2.25%. The Township had borrowed a total of \$1,125,055 for the expansion. The debt is set-up as two separate loans to match:				
1. District # and				
2. Branches to District #.				
Thus, there are two separate special assessment districts set-up to repay the debt.				
1. District #	\$ 3,909,915	\$	\$ 280,000	\$ 3,629,915
2. Branches to #	1,828,539		213,013	1,615,526
	<u>\$ 5,738,454</u>	<u>\$</u>	<u>\$ 493,013</u>	<u>\$ 5,245,441</u>

The Township makes principal and interest payments to the Livingston County Drain Commission to be paid through the year 2015.

4. The State of Michigan has discretion as to which costs are eligible to be paid through the revolving loan fund. Thus, for costs that are not eligible to be paid through the SRF program another bond sale was issued by the Livingston County Drain Commission \$75,000 general obligation bonds) These bonds were issued in the year ending March 31, 1996. Interest is charged at 6% Principal and interest is payable to the Livingston County Drain Commission to be paid through the year 2015.	270,000	15,000	255,000
5. On September 1, 2003 the Township sold bond anticipation notes to finance the preliminary cost associated with hooking up its residents to the sewer system at Genesee County. Interest is semi-annually at 2.0% with the entire principal balance due on September 1, 2005. The Township anticipates this to be repaid with a bond issue prior to its maturity.	4,350,000		4,350,000

NOTE 7 - LONG-TERM DEBT (continued)

- | | | | | | |
|--|---------------|--------------|--------------|---------------|----------------|
| Total proprietary long-term debt | \$ 15,458,734 | \$ 4,350,000 | \$ 1,166,393 | <u>88,380</u> | <u>441,900</u> |
| Payments of \$4,190 are made semi-annually with interest at 10% per annum from December 1, 2008. | | | | | |

The following is a schedule of principal and interest payments to service the long-term obligations of the Township:

GENERAL LONG-TERM DEBT	
Fire Hall Construction	
Installment Purchase	
National City Bank	
Principal	Interest

Fire Hall Construction		ENTERPRISE FUNDS	
Installment Purchase		Proprietary Long Term Debt	
Principal	Interest	Principal	Interest
Year	Year		
04/01/2004 - 03/31/2005	\$ 84,885	\$ 1,043,380	\$ 608,257
04/01/2005 - 03/31/2006	89,139	5,333,380	527,810
04/01/2006 - 03/31/2007	93,607	993,380	448,925
04/01/2007 - 03/31/2008	98,298	1,003,380	413,293
04/01/2008 - 03/31/2009	103,224	1,003,380	377,416
04/01/2009 - 03/31/2014	599,102	4,720,000	1,394,462
04/01/2014 - 03/31/2019	330,739	3,120,441	623,713
		1,425,000	98,325
Total	\$ 1,398,994	\$ 18,642,341	\$ 4,492,201

Accrued Compensated Absences - The Township has recorded a liability in the general long-term debt account group for compensated absences of the general fund. The policies regarding compensated absences are outlined in the townships Rules of Employment."

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 8 - SANITARY DRAIN NO. 1 DRAINAGE DISTRICT ADVANCE REFUNDING BONDS

On February 1, 1993 Livingston County issued General Obligation Limited Tax Bonds titled Hartland Township Sanitary Drain No. 1 Drainage District Advance Refund Bonds in the amount of \$,810,000, which matures on June 1, 2004.

The purpose of the advance refunding bonds was to use the proceeds to repay the 1986 Hartland Township Sanitary Drain No. 1 Drainage District Bonds dated June 1, 1985, issued in the original amount of \$,350,000 which had a maturity in 2004. Legal defeasance occurred on June 1, 1995. The proceeds of the advance refunding had been placed with Bank One N.A., as escrow agent, and were invested in United States Government Securities. A redemption premium fee of \$4,000 was paid. A net present value savings of \$67,522 is anticipated over the life of the advance refunding issue.

NOTE 9 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy adopted by the Township in accordance with Act 196 PA 1997 has authorized investments as listed in the state statutory authority listed above.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's deposits and investments are as follows:

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured	\$ 900,000	\$ 900,000
Uninsured and uncollateralized	<u>15,227,185</u>	<u>15,427,383</u>
Total deposits	<u>\$16,127,185</u>	<u>\$16,327,383</u>

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 10 - CONTINGENCIES

The township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the township.

NOTE 11 - RISK MANAGEMENT

The township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12 - GASB STATEMENT NO. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the statement include the following:

1. For the first time the financial statements will include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Township's activities, including reporting infrastructure assets (road, bridges, etc.)

A change in the fund financial statements to focus on the major funds.

The general provisions of GASB No. 34 must be implemented by Hartland Township no later than the fiscal year ending March 31, 2005.

HARTLAND TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 13 - TRUST AND AGENCY FUND

The Township maintains the Trust and Agency Fund to account for delinquent personal property taxes and funds held in escrow for developers. Accurate records were not maintained for these escrows accounts and it is expected that a portion of these funds held by the Trust and Agency Fund may be repaid to the General Fund.

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Township maintains two enterprise funds, which provide water and sewer services. Segment information for the year ended March 31, 2004, was as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 793,984	\$ 1,358,287	\$ 2,152,271
Depreciation	228,209	255,119	483,328
Operating income (oss)	390,870	(1,316,101)	(925,231)
Non-operating revenues	95,316	71,035	166,351
Net income (oss)	486,186	(1,245,066)	(758,880)
Total assets	18,489,576	26,088,890	44,578,466
Accounts payable	21,246	100,218	121,464
Net working capital	496,319	981,331	1,477,650
Total equity			
Retained earnings	10,035,914	15,619,795	25,655,709

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

HARTLAND TOWNSHIP
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
MARCH 31, 2004

	<u>Liquor Law Enforcement</u>	<u>Fire Operating</u>	<u>Township Improvement Revolving</u>
<u>ASSETS</u>			
ASSETS			
Cash	\$ 15,050	\$ 780,694	\$ 929,924
Taxes receivable		56,560	
Special assessment fees receivable	<u> </u>	<u>438,983</u>	<u> </u>
Total assets	<u>\$ 15,050</u>	<u>\$ 1,276,237</u>	<u>\$ 929,924</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$	\$ 15,167	\$
Accrued payroll compensated absences			
Payroll taxes payable		1,069	
Due to other funds	<u> </u>	<u> </u>	<u> </u>
Total liabilities		16,236	
FUND BALANCE	<u>15,050</u>	<u>1,260,001</u>	<u>929,924</u>
Total liabilities and fund balance	<u>\$ 15,050</u>	<u>\$ 1,276,237</u>	<u>\$ 929,924</u>

<u>Cable Television</u>	<u>Totals</u>
\$ 276,461	\$ 2,002,129
	56,560
<u>20,723</u>	<u>459,706</u>
<u>\$ 297,184</u>	<u>\$ 2,518,395</u>

\$ 4,437	\$ 19,604
2,996	2,996
146	146
<u>7,579</u>	<u>1,069</u>
	23,815
<u>289,605</u>	<u>2,494,580</u>
<u>\$ 297,184</u>	<u>\$ 2,518,395</u>

HARTLAND TOWNSHIP
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
MARCH 31, 2004

	<u>Water System Fund</u>	<u>Sewage Disposal System Fund</u>	<u>Totals</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 595,077	\$ 524,568	\$ 1,119,645
Accounts receivable	58,884	573,438	632,322
Inventory	20,108		20,108
Interest receivable		29,269	29,269
Due from other funds	<u>912</u>		<u>912</u>
Total current assets	<u>674,981</u>	<u>1,127,275</u>	<u>1,802,256</u>
 RESTRICTED ASSETS			
Cash and cash equivalents	1,086,915	8,700,718	9,787,633
Special assessments receivable	7,663,013	4,663,415	12,326,428
Debt issuance costs	<u>115,920</u>		<u>115,920</u>
Total restricted assets	<u>8,865,848</u>	<u>13,364,133</u>	<u>22,229,981</u>
 PROPERTY, PLANT AND EQUIPMENT			
Land	300,000	1,247,230	1,547,230
Water/sewer system	<u>9,110,267</u>	<u>12,496,284</u>	<u>21,606,551</u>
	9,410,267	13,743,514	23,153,781
Less accumulated depreciation	<u>461,520</u>	<u>2,146,032</u>	<u>2,607,552</u>
Net property, plant and equipment	<u>8,948,747</u>	<u>11,597,482</u>	<u>20,546,229</u>
 Total assets	<u>\$ 18,489,576</u>	<u>\$ 26,088,890</u>	<u>\$ 44,578,466</u>

	<u>Water System Fund</u>	<u>Sewage Disposal System Fund</u>	<u>Totals</u>
<u>LIABILITIES AND FUND EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable	\$ 21,246	\$ 100,218	\$ 121,464
Accrued interest payable	157,380		157,380
Due to other funds	36	1,536	1,572
Land contract payable - current portion		44,190	44,190
Total current liabilities	<u>178,662</u>	<u>145,944</u>	<u>324,606</u>
CURRENT LIABILITIES (from restricted assets)			
Bonds payable	450,000	75,000	525,000
Contract payable - LCDC - ineligible costs		20,000	20,000
Contract payable - LCDC - sewer expansion		410,000	410,000
Total current liabilities (from restricted assets)	<u>450,000</u>	<u>505,000</u>	<u>955,000</u>
LONG-TERM LIABILITIES (from restricted assets)			
Bonds payable	7,825,000	4,350,000	12,175,000
Contract payable - LCDC - ineligible costs		235,000	235,000
Contract payable - LCDC - sewer expansion		4,835,441	4,835,441
Total long-term liabilities (from restricted assets)	<u>7,825,000</u>	<u>9,420,441</u>	<u>17,245,441</u>
LONG-TERM LIABILITY			
Land contract payable		397,710	397,710
Total liabilities	<u>8,453,662</u>	<u>10,469,095</u>	<u>18,922,757</u>
FUND EQUITY			
Retained earnings	<u>10,035,914</u>	<u>15,619,795</u>	<u>25,655,709</u>
Total liabilities and fund equity	<u>\$ 18,489,576</u>	<u>\$ 26,088,890</u>	<u>\$ 44,578,466</u>

HARTLAND TOWNSHIP
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
MARCH 31, 2004

	<u>Current Tax Collection</u>	<u>Trust and Agency</u>	<u>Totals</u>
ASSET			
Cash	\$ 32,327	\$ 858,055	\$ 890,382
LIABILITIES			
Due to other funds	\$ 32,327	\$ 101,827	\$ 134,154
Deposits		756,228	756,228
Total liabilities	\$ 32,327	\$ 858,055	\$ 890,382

HARTLAND TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Liquor Law Enforcement</u>	<u>Fire Operating</u>	<u>Township Improvement Revolving</u>
REVENUES			
Property taxes and assessments	\$	\$ 988,215	\$
Sale of assets		940,711	
Licenses and permits	5,421		
Charges for services		13,810	
Interest	90	2,319	9,751
Miscellaneous		5,763	
	<u>5,511</u>	<u>1,950,818</u>	<u>9,751</u>
Total revenues			
EXPENDITURES			
Public safety		918,517	
Salaries and fees	1,830	151,474	
Capital outlay		88,666	
Taxes - payroll	148	12,256	
Miscellaneous			
Debt service		151,547	
	<u>1,978</u>	<u>1,322,460</u>	
Total expenditures			
Excess (deficiency) of revenues over expenditures before other financing sources	3,533	628,358	9,751
OTHER FINANCING SOURCES			
Transfer in			500,000
Excess (deficiency) of revenues over expenditures after other financing sources	3,533	628,358	509,751
FUND BALANCE, APRIL 1, 2003	11,517	599,089	420,173
RESIDUAL EQUITY TRANSFER IN		32,554	
FUND BALANCE, MARCH 31, 2004	<u>\$ 15,050</u>	<u>\$ 1,260,001</u>	<u>\$ 929,924</u>

<u>Cable Television</u>	<u>Totals</u>
\$	\$ 988,215
	940,711
	5,421
75,730	89,540
2,781	14,941
<u>60</u>	<u>5,823</u>
<u>78,571</u>	<u>2,044,651</u>
	918,517
45,573	198,877
6,785	95,451
3,403	15,807
17,701	17,701
<u></u>	<u>151,547</u>
<u>73,462</u>	<u>1,397,900</u>
5,109	646,751
<u></u>	<u>500,000</u>
5,109	1,146,751
284,496	1,315,275
<u></u>	<u>32,554</u>
<u>\$ 289,605</u>	<u>\$ 2,494,580</u>

HARTLAND TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Building Authority</u>	<u>Capital Improvement</u>	<u>Fire Hall Construction</u>	<u>Totals</u>
REVENUES				
Interest	\$	\$ 5,393	\$ 709	\$ 6,102
EXPENDITURES				
Project costs	<u>7,188</u>	<u></u>	<u></u>	<u>7,188</u>
Excess (deficiency) of revenues over expenditures	(7,188)	5,393	709	(1,086)
FUND BALANCE, APRIL 1, 2003	7,188	693,325	31,845	732,358
RESIDUAL EQUITY TRANSFER (OUT)	<u></u>	<u></u>	<u>(82,554)</u>	<u>(82,554)</u>
FUND BALANCE, MARCH 31, 2004	<u>\$</u>	<u>\$ 698,718</u>	<u>\$</u>	<u>\$ 698,718</u>

HARTLAND TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	Water System Fund	Sewage Disposal System Fund	Totals
OPERATING REVENUES			
User charges	\$ 124,404	\$ 520,567	\$ 644,971
Connection fees	630,630	837,720	1,468,350
Meter sales	<u>38,950</u>	<u> </u>	<u>38,950</u>
Total operating revenues	<u>793,984</u>	<u>1,358,287</u>	<u>2,152,271</u>
OPERATING EXPENSES			
Expansion projects		2,001,830	2,001,830
Depreciation	228,209	255,119	483,328
Consulting engineer	95,878	58,019	153,897
Contract services	2,742	246,037	248,779
Lease equipment		50,000	50,000
Meters	38,469		38,469
Utilities	5,590	597	6,187
Legal fees	5,408	5,115	10,523
Assessments	11,624	8,527	20,151
Insurance	2,364	12,236	14,600
Repairs and maintenance	8,828	35,608	44,436
Supplies and postage	2,415	953	3,368
Miscellaneous	<u>1,587</u>	<u>347</u>	<u>1,934</u>
Total operating expenses	<u>403,114</u>	<u>2,674,388</u>	<u>3,077,502</u>
Operating income (oss)	<u>390,870</u>	<u>(1,316,101)</u>	<u>925,231)</u>
NON-OPERATING REVENUES AND EXPENSES)			
Interest income - special assessments	475,500	132,388	607,888
Interest income - cash and cash equivalents	6,211	120,456	126,667
Amortization - bond fees	(6,995)	(7,752)	(14,747)
Rental and other income		42,625	42,625
Interest expense	<u>(679,400)</u>	<u>(216,682)</u>	<u>(596,082)</u>
Total non-operating revenues	<u>95,316</u>	<u>71,035</u>	<u>166,351</u>
Net income (oss)	486,186	(1,245,066)	(758,880)
RETAINED EARNINGS AT APRIL 1, 2003	<u>9,549,728</u>	<u>16,864,861</u>	<u>26,414,589</u>
RETAINED EARNINGS AT MARCH 31, 2004	<u>\$ 10,035,914</u>	<u>\$ 5,619,795</u>	<u>\$ 25,655,709</u>

HARTLAND TOWNSHIP
COMBING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	Water System Fund	Sewage Disposal System Fund	Totals
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 390,870	\$ (1,316,101)	\$ 925,231)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities			
Abandoned expansion project		1,060,878	1,060,878
Depreciation/amortization expense	234,929	255,119	490,048
Rental and other income		42,625	42,625
Changes in assets and liabilities			
(increase) in accounts receivable	(7,354)	(406,220)	(413,574)
Decrease in inventory	280		280
(increase) decrease in due from other funds	(12)	43,673	42,761
Increase in accounts payable	10,603	47,866	58,469
Increase (decrease) in due to other funds	(3,637)	912	(2,725)
Total adjustments	163,909	1,044,853	1,208,762
Net cash from (used in) operating activities	554,779	(271,248)	283,531
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(2,906)	(9,849)	(12,755)
Special assessment collections - principal and interest	908,184	762,564	1,670,748
Proceeds from sales of bonds		4,350,000	4,350,000
Repayment of debt - contracts and bonds	(844,833)	(933,816)	(1,778,649)
Net cash from (used in) capital and related financing activities	60,445	4,168,899	4,229,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on cash and cash equivalents	6,211	113,642	119,853
Net increase (decrease) in cash and cash equivalents	621,435	4,011,293	4,632,728
CASH AND CASH EQUIVALENTS AT APRIL 1, 2003	1,060,557	5,213,993	6,274,550
CASH AND CASH EQUIVALENTS AT MARCH 31, 2004	\$ 1,681,992	\$ 9,225,286	\$ 10,907,278

INDIVIDUAL
FUNDS

GENERAL
FUND

HARTLAND TOWNSHIP
GENERAL FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS

Cash and investments	\$ 1,517,749
Taxes receivable	
Real	128,337
Personal	16,590
Accounts receivable - state shared revenues	114,937
Prepaid expenses	1,680
Due from other funds	138,173
Due from county	<u>8,009</u>
Total assets	<u>\$ 1,925,475</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 192,296
Accrued payroll	18,569
Payroll taxes payable	3,874
Accrued compensated absences	20,218
Compliance reserves	<u>50,560</u>

Total liabilities \$ 285,517

FUND BALANCE

1,639,958

Total liabilities and fund balance \$ 1,925,475

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 413,322	\$ 419,570	\$ 6,248
Licenses and permits	26,400	30,507	4,107
State shared revenues	800,000	749,327	(50,673)
Charges for services	163,500	202,586	39,086
Miscellaneous revenues	<u>149,000</u>	<u>28,669</u>	<u>(120,331)</u>
Total revenues	1,552,222	1,430,659	(121,563)
EXPENDITURES	<u>2,499,228</u>	<u>1,726,102</u>	<u>773,126</u>
Excess (deficiency) of revenues over expenditures before other financing (uses)	(947,006)	(295,443)	651,563
OTHER FINANCING (USES)			
Transfers (out)	<u>(25,000)</u>	<u>(500,000)</u>	<u>(475,000)</u>
Excess (deficiency) of revenues over expenditures after other financing (uses)	(972,006)	(795,443)	176,563
FUND BALANCE, APRIL 1, 2003	2,433,111	2,433,111	
RESIDUAL EQUITY TRANSFER	<u>19,300</u>	<u>2,290</u>	<u>(17,010)</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 1,480,405</u>	<u>\$ 1,639,958</u>	<u>\$ 159,553</u>

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TAXES			
Current property taxes	<u>\$ 413,322</u>	<u>\$ 419,570</u>	<u>\$ 6,248</u>
LICENSES AND PERMITS			
Mobile home		2,576	
Dog licenses		1,026	
Land use		17,005	
Sign permits, licenses		<u>9,900</u>	
Total licenses and permits	<u>26,400</u>	<u>30,507</u>	<u>4,107</u>
STATE SHARED REVENUES	<u>800,000</u>	<u>749,327</u>	<u>(50,673)</u>
CHARGES FOR SERVICES			
Street lights		629	
Tax administration fee		157,375	
Zoning fees		28,389	
Tax collections fees		14,443	
Board of appeals		<u>1,750</u>	
Total charges for services	<u>163,500</u>	<u>202,586</u>	<u>39,086</u>
MISCELLANEOUS REVENUES			
Printed material		2,566	
Interest on investments		23,224	
Refunds and rebates		2,589	
Miscellaneous		<u>290</u>	
Total miscellaneous revenues	<u>149,000</u>	<u>28,669</u>	<u>(120,331)</u>
Total revenues	<u>\$ 1,552,222</u>	<u>\$ 1,430,659</u>	<u>\$ (121,563)</u>

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TOWNSHIP BOARD			
Retirement	\$	\$ 5,294	\$
Trustee fee		20,327	
Supplies and postage		1,351	
Audit		15,500	
Legal		93,274	
Taxes - payroll		1,896	
Membership and dues		6,409	
Mileage		987	
Miscellaneous		624	
Bank charges		5,118	
Capital outlay		720	
Printing and publications		13,195	
	<u>179,800</u>	<u>164,695</u>	<u>15,105</u>
Total township board			
SUPERVISOR			
Supervisor salary		39,104	
Secretary salaries		19,103	
Taxes - payroll		4,407	
Supplies and postage		90	
Contracted labor		5,394	
Miscellaneous		85	
Printing and publication		20	
Education		375	
Mileage		128	
	<u>99,049</u>	<u>68,706</u>	<u>30,343</u>
Total supervisor			
ELECTIONS			
Wages and fees		784	
Taxes - payroll		60	
Supplies and postage		811	
	<u>8,425</u>	<u>1,655</u>	<u>6,770</u>
Total elections			
FINANCE DEPARTMENT			
Salary		49,355	
Taxes - payroll		3,607	
Supplies		411	
Educations		235	
	<u>49,250</u>	<u>53,608</u>	<u>(4,358)</u>

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
ASSESSOR			
Salaries		78,101	
Taxes - payroll		5,679	
Supplies and postage		2,220	
Contracted services		9,145	
Printing and publications		848	
Membership and dues		268	
Tax preparation		7,030	
Mileage		284	
Education		1,260	
Capital outlay		<u>1,908</u>	
Total assessor	<u>126,870</u>	<u>106,743</u>	<u>20,127</u>
CLERK			
Clerk salary		39,204	
Other - clerical salary		26,357	
Taxes - payroll		5,008	
Supplies and postage		1,131	
Contracted services		9,643	
Printing and publications		112	
Mileage		537	
Miscellaneous		153	
Membership and dues		305	
Education		1,604	
Capital outlay		<u>648</u>	
Total clerk	<u>103,454</u>	<u>84,702</u>	<u>18,752</u>
BOARD OF REVIEW			
Fees		50	
Taxes - payroll		<u>107</u>	
Total board of review	<u>2,933</u>	<u>157</u>	<u>2,776</u>

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TREASURER			
Treasurer salary		38,204	
Assistant wages		36,944	
Taxes - payroll		5,684	
Supplies and postage		1,664	
Tax statement preparation		8,230	
Mileage		851	
Membership and dues		238	
Education and training		3,086	
Miscellaneous		<u>72</u>	
Total treasurer	<u>105,321</u>	<u>94,973</u>	<u>10,348</u>
DATA PROCESSING			
Internet access		6,798	
Contracted services		4,336	
Repairs and maintenance		3,785	
Capital outlay		<u>27,102</u>	
Total data processing	<u>55,350</u>	<u>42,021</u>	<u>13,329</u>
TOWNSHIP HALL AND GROUNDS			
Contracted services		16,305	
Supplies		2,126	
Snow removal and mowing		9,068	
Contract cleaning		4,930	
Telephone		11,227	
Utilities			
Gas		1,581	
Electric		10,929	
Softener		361	
Repairs and maintenance		6,982	
Assessments		2,414	
Capital outlay		4,521	
Miscellaneous		<u>303</u>	
Total township hall and grounds	<u>249,124</u>	<u>70,747</u>	<u>178,377</u>

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
UNALLOCATED			
Wages		9,440	
Temporary employees		39,074	
Taxes - payroll		719	
Retirement		8,685	
Office supplies and postage		5,393	
Membership and dues		4,922	
Mileage		16	
Insurance and bonds		16,468	
Printing and publications		104	
Service contracts		6,410	
Miss DIG		2,700	
Drains at large		18,685	
Capital outlay		1,717	
	<u>106,500</u>	<u>114,333</u>	<u>(7,833)</u>
Total unallocated			
LAW ENFORCEMENT			
Livingston County Sheriff Contract		128,925	
Sub-station rental		1,800	
	<u>135,800</u>	<u>130,725</u>	<u>5,075</u>
Total law enforcement			
PLANNING AND ZONING			
Wages		106,324	
Taxes - payroll		8,010	
Supplies and postage		2,205	
Contract services		46,369	
Membership and dues		745	
Mileage and dues		113	
Printing and publications		18,837	
Consulting engineers		599	
	<u>333,866</u>	<u>186,737</u>	<u>150,129</u>
Total planning and zoning			

HARTLAND TOWNSHIP
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (continued)
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
ZONING BOARD OF APPEALS			
Fees		2,968	
Taxes - payroll		233	
Printing		698	
Supplies		506	
Total zoning board of appeals	<u>8,695</u>	<u>4,405</u>	<u>4,290</u>
STREET LIGHTS	<u>15,000</u>	<u>11,949</u>	<u>3,051</u>
ROADS			
Improvements		423,076	
Chloride		60,506	
Total roads	<u>788,400</u>	<u>483,582</u>	<u>304,818</u>
DEPARTMENT OF PUBLIC WORKS			
Salaries		76,803	
Taxes - payroll		5,499	
Supplies and postage		1,392	
Printing and publications		82	
Membership and dues		225	
Mileage		164	
Education		95	
Capital outlay		947	
Total department of public works	<u>88,191</u>	<u>85,207</u>	<u>2,984</u>
SENIOR CITIZENS	<u>18,000</u>	<u>18,000</u>	
PARKS & RECREATION	<u>20,700</u>	<u>5,688</u>	<u>15,012</u>
HISTORICAL PRESERVATION	<u>4,500</u>	<u>469</u>	<u>4,031</u>
Total expenditures	<u>\$ 2,499,228</u>	<u>\$ 1,726,102</u>	<u>\$ 773,126</u>

LIQUOR
LAW
ENFORCEMENT
FUND

HARTLAND TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2004

ASSET

ASSET
Cash

\$ 15,050

FUND BALANCE

FUND BALANCE

\$ 15,050

HARTLAND TOWNSHIP
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Liquor license fees	\$	\$ 5,421	\$
Interest		90	
Total revenues	<u>5,600</u>	<u>5,511</u>	<u>(89)</u>
EXPENDITURES			
Inspection fees		1,830	
Taxes - payroll		148	
Total expenditures	<u>2,140</u>	<u>1,978</u>	<u>162</u>
Excess (deficiency) of revenues over expenditures	3,460	3,533	73
FUND BALANCE, APRIL 1, 2003	<u>11,517</u>	<u>11,517</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 14,977</u>	<u>\$ 15,050</u>	<u>\$ 73</u>

FIRE
OPERATING
FUND

HARTLAND TOWNSHIP
FIRE OPERATING FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS

Cash	\$ 780,694
Taxes receivable - real and personal	56,560
Due from fire authority	<u>438,983</u>
Total assets	<u>\$ 1,276,237</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 15,167
Due to other funds	<u>1,069</u>
Total liabilities	\$ 16,236

FUND BALANCE

	<u>1,260,001</u>
Total liabilities and fund balance	<u>\$ 1,276,237</u>

HARTLAND TOWNSHIP
FIRE OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$	\$ 988,215	\$
Interest		2,319	
Fire runs		13,810	
Sale of assets		940,711	
Other revenue		<u>5,763</u>	
Total revenues	943,000	1,950,818	1,007,818
EXPENDITURES	<u>975,000</u>	<u>1,322,460</u>	<u>(347,460)</u>
Excess (deficiency) of revenues over expenditures	(32,000)	628,358	660,358
FUND BALANCE, APRIL 1, 2003	599,089	599,089	
RESIDUAL EQUITY TRANSFER		<u>32,554</u>	<u>32,554</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 567,089</u>	<u>\$ 1,260,001</u>	<u>\$ 692,912</u>

HARTLAND TOWNSHIP
FIRE OPERATING FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
EXPENDITURES			
Fire protection contract	\$	\$ 225,652	\$
Authority contribution		536,534	
Firemen fees		151,474	
Taxes - payroll		12,256	
Audit fees		445	
Physicals		21,563	
Retirement		750	
Supplies - operating		5,316	
Supplies - office		1,624	
Printing and publications		356	
Maintenance			
Grounds and building		22,873	
Truck		11,034	
Equipment		10,544	
Gas and oil		2,786	
Insurance		50,236	
Legal fees		963	
Medical supplies		2,877	
Utilities			
Gas		1,691	
Electric		5,462	
Sewer/water		1,556	
Telephone		4,428	
Membership and dues		398	
Training		6,055	
Capital outlay			
Equipment		59,831	
Trucks		19,565	
Building		9,270	
Note payable - principal		82,377	
Note payable - interest		69,170	
Miscellaneous		1,318	
Fire prevention		2,480	
Utility assessments		1,576	
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 975,000	\$ 1,322,460	\$ 347,460

TOWNSHIP
IMPROVEMENT
REVOLVING
FUND

HARTLAND TOWNSHIP
TOWNSHIP IMPROVEMENT REVOLVING FUND
BALANCE SHEET
MARCH 31, 2004

	<u>ASSET</u>	
ASSETS		
Cash		<u>\$ 929,924</u>

	<u>FUND BALANCE</u>	
FUND BALANCE		<u>\$ 929,924</u>

HARTLAND TOWNSHIP
TOWNSHIP IMPROVEMENT REVOLVING FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 8,000	\$ 9,751	\$ 1,751
EXPENDITURES	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures before other financing sources	8,000	9,751	1,751
OTHER FINANCING SOURCES			
Operating transfer in	<u> </u>	<u>500,000</u>	<u>500,000</u>
Excess (deficiency) of revenues over expenditures after other financing sources	8,000	509,751	501,751
FUND BALANCE, APRIL 1, 2003	<u>420,173</u>	<u>420,173</u>	<u> </u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 428,173</u>	<u>\$ 929,924</u>	<u>\$ 501,751</u>

CABLE
TELEVISION
FUND

HARTLAND TOWNSHIP
CABLE TELEVISION FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS

Cash	\$ 276,461
Fees receivable	<u>20,723</u>
Total assets	<u>\$ 297,184</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 4,437
Accrued payroll	2,996
Payroll taxes payable	<u>146</u>
Total liabilities	7,579

FUND BALANCE

289,605

Total liabilities and fund balance	<u>\$ 297,184</u>
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HARTLAND TOWNSHIP
CABLE TELEVISION FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Fees	\$	\$ 75,730	\$
Interest		2,781	
Miscellaneous		60	
Total revenues	<u>58,500</u>	<u>78,571</u>	<u>20,071</u>
EXPENDITURES			
Salaries		39,893	
Taxes - payroll		3,403	
Fees		5,680	
Legal fees		50	
Supplies - postage		205	
Supplies - operating		5,369	
Rent		7,500	
Membership and dues		150	
Repairs and maintenance		2,319	
Miscellaneous		117	
Education		1,161	
Telephone		681	
Printing and publications		111	
Mileage		38	
Capital outlay		6,785	
Total expenditures	<u>85,340</u>	<u>73,462</u>	<u>11,878</u>
Excess (deficiency) of revenues over expenditures	(26,840)	5,109	31,949
FUND BALANCE, APRIL 1, 2003	<u>284,496</u>	<u>284,496</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 257,656</u>	<u>\$ 289,605</u>	<u>\$ 31,949</u>

DEBT
SERVICE
FUND
TYRONE
LAKE

HARTLAND TOWNSHIP
DEBT SERVICE FUND - TYRONE LAKE
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS
Cash

\$ 2,290

LIABILITIES

LIABILITIES
Due to other funds

\$ 2,290

HARTLAND TOWNSHIP
DEBT SERVICE FUND - TYRONE LAKE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	<u>24,985</u>	<u>150</u>	<u>(24,835)</u>
EXPENDITURES			
Principal		4,624	
Interest		216	
Fees		<u>149</u>	
Total expenditures	<u>5,389</u>	<u>4,989</u>	<u>400</u>
Excess (deficiency) of revenues over expenditures	19,596	(4,839)	(24,435)
FUND BALANCE, APRIL 1, 2003	7,129	7,129	
RESIDUAL EQUITY TRANSFER	<u>(19,300)</u>	<u>(2,290)</u>	<u>17,010</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 7,425</u>	<u>\$</u>	<u>\$ (7,425)</u>

BUILDING
AUTHORITY
FUND

HARTLAND TOWNSHIP
BUILDING AUTHORITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

	Variance Favorable <u>(Unfavorable)</u>
REVENUE	\$
EXPENDITURES	
Project costs	<u>7,188</u>
Excess (deficiency) of revenues over expenditures	 (7,188)
FUND BALANCE, APRIL 1, 2003	<u>7,188</u>
FUND BALANCE, MARCH 31, 2004	<u>\$</u>

CAPITAL IMPROVEMENT
FUND

HARTLAND TOWNSHIP
CAPITAL IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS
Cash

\$ 698,718

FUND BALANCE

FUND BALANCE

\$ 698,718

HARTLAND TOWNSHIP
CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 30,000	\$ 5,393	\$ (24,607)
EXPENDITURES	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	30,000	5,393	(24,607)
FUND BALANCE, APRIL 1, 2003	<u>693,325</u>	<u>693,325</u>	<u> </u>
FUND BALANCE, MARCH 31, 2004	<u>\$ 723,325</u>	<u>\$ 698,718</u>	<u>\$ (24,607)</u>

FIRE HALL
CONSTRUCTION
FUND

HARTLAND TOWNSHIP
FIRE HALL CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2004

REVENUES	
Interest	\$ 709
EXPENDITURES	<u> </u>
Excess of revenues over expenditures	709
FUND BALANCE, APRIL 1, 2003	31,845
RESIDUAL EQUITY TRANSFER	<u>(32,554)</u>
FUND BALANCE, MARCH 31, 2004	<u>\$ </u>

WATER
SYSTEM
FUND

HARTLAND TOWNSHIP
WATER SYSTEM FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

CURRENT ASSETS

Cash	\$ 595,077
Accounts receivable - billings	58,884
Due from other funds	912
Inventory	<u>20,108</u>

Total current assets \$ 674,981

RESTRICTED ASSETS

Cash	1,086,915
Special assessment receivable - deferred	7,663,013
Bond fees - net of amortization	<u>115,920</u>

Total restricted assets 8,865,848

PROPERTY, PLANT AND EQUIPMENT

Land	300,000
Equipment	2,586
Water system	<u>9,107,681</u>
	9,410,267
Less accumulated depreciation	<u>(461,520)</u>

Net property, plant and equipment 8,948,747

Total assets \$ 18,489,576

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 21,246
Accrued interest payable	157,380
Due to other funds	<u>36</u>

Total current liabilities \$ 178,662

CURRENT LIABILITIES (from restricted assets)

Current portion of long term debt - bonds payable 450,000

LONG-TERM LIABILITIES (from restricted assets)

Bonds payable after one year 7,825,000

Total liabilities 8,453,662

FUND EQUITY

Retained earnings 10,035,914

Total liabilities and fund equity \$ 18,489,576

HARTLAND TOWNSHIP
WATER SYSTEM FUND
STATEMENT OF CHANGES IN FUND EQUITY
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Contributed Capital</u>	<u>Retained Earning</u>	<u>Total Fund Equity</u>
BEGINNING BALANCE, APRIL 1, 2003	\$ 9,259,326	\$ 290,402	\$ 9,549,728
Reclassification of equity accounts	(9,259,326)	9,259,326	
Depreciation		(228,209)	(228,209)
Operating income excluding depreciation		619,079	619,079
Interest income		481,711	481,711
Interest expense		(379,400)	(379,400)
Bond fees - amortization/agent fees	<u> </u>	<u>(6,995)</u>	<u>(6,995)</u>
ENDING BALANCE, MARCH 31, 2004	<u>\$</u>	<u>\$ 10,035,914</u>	<u>\$ 10,035,914</u>

HARTLAND TOWNSHIP
WATER SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2004

OPERATING REVENUES		
User charges	\$ 124,404	
Meter sales	38,950	
Connection charges	<u>630,630</u>	
Total operating revenues		\$ 793,984
OPERATING EXPENSES		
Depreciation	228,209	
Contracted services	2,742	
Engineering services	95,878	
Legal fees	5,408	
Assessments	11,624	
Insurance	2,364	
Repair and maintenance	8,828	
Telephone	804	
Utilities	4,786	
Meters	38,469	
Supplies and postage	2,415	
Printing and publications	523	
Miscellaneous	<u>1,064</u>	
Total operating expenses		<u>403,114</u>
Operating (loss)		390,870
NON-OPERATING REVENUES (EXPENSES)		
Interest income - special assessments	475,500	
Interest income - cash	6,211	
Interest expense	(379,400)	
Amortization- bond fees	(6,720)	
Other (expenses)	<u>(275)</u>	
Total non-operating revenues		<u>95,316</u>
Net income		<u>\$ 486,186</u>

HARTLAND TOWNSHIP
WATER SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2004

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Operating income		\$ 390,870
Adjustments to reconcile operating income to net cash from (used in) operating activities		
Depreciation expense	\$ 228,209	
Amortization	6,720	
Changes in assets and liabilities		
(Increase) in accounts receivable	(37,354)	
(Increase) in due from other funds	(912)	
Decrease in inventory	280	
Increase in accounts payable	10,603	
(Decrease) in due to other funds	<u>(43,637)</u>	
Total adjustments		<u>163,909</u>
Net cash from operating activities		554,779

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES

Payment of principal on bonds	(450,000)	
Acquisition and construction of capital assets	(2,906)	
Special assessment collections - principal and interest	908,184	
Interest and fees on bonds	<u>(394,833)</u>	
Net cash from capital and related financing activities		60,445

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and equivalents		6,211
Net increase in cash and cash equivalents		<u>621,435</u>

CASH AND CASH EQUIVALENTS AT APRIL 1, 2003	<u>1,060,557</u>
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CASH AND CASH EQUIVALENTS AT MARCH 31, 2004	<u>\$ 1,681,992</u>
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SEWAGE
DISPOSAL
SYSTEM
FUND

HARTLAND TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

CURRENT ASSETS

Cash	\$ 524,568	
Accounts receivable - billings	184,762	
Accounts receivable - project costs	388,676	
Interest receivable	<u>29,269</u>	
Total current assets		\$ 1,127,275

RESTRICTED ASSETS

Cash	8,700,718	
Special assessment receivable	<u>4,663,415</u>	
Total restricted assets		13,364,133

PROPERTY, PLANT AND EQUIPMENT

Land	1,247,230	
Sewer system	<u>12,496,284</u>	
	13,743,514	
Less accumulated depreciation	<u>(2,146,032)</u>	
Net property, plant and equipment		<u>11,597,482</u>

Total assets		<u>\$ 26,088,890</u>
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LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 100,218
Due to other funds	1,536
Current portion of long-term debt - land contract payable	<u>44,190</u>
Total current liabilities	\$ 145,944

CURRENT LIABILITIES (from restricted assets)

Current portion of long term debt - refunding bonds payable	75,000
Current portion of long term debt - Contract payable - Livingston County Drain Commission - ineligible costs	20,000
Contract payable - Livingston County Drain Commission - sewer expansion and branches	<u>410,000</u>
Total current liabilities (from restricted assets)	505,000

LONG-TERM LIABILITIES (from restricted assets)

Bond anticipation notes payable	4,350,000
Contract payable - Livingston County Drain Commission - ineligible costs	235,000
Contract payable - Livingston County Drain Commission - sewer expansion and branches	<u>4,835,441</u>
Total long-term liabilities (from restricted assets)	9,420,441

LONG-TERM LIABILITIES

Land contract payable	<u>397,710</u>
Total liabilities	10,469,095

FUND EQUITY

Retained earnings	
Total fund equity	<u>15,619,795</u>

fund equity	Total liabilities and	\$ <u>26,088,890</u>
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HARTLAND TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CHANGES IN FUND EQUITY
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCE, APRIL 1, 2003	\$ 13,628,703	\$ 3,236,158	\$ 16,864,861
Depreciation		(255,119)	(255,119)
Reclassification of equity accounts	(13,628,703)	13,628,703	
Operating (loss) less depreciation		(1,060,982)	(1,060,982)
Interest income		252,844	252,844
Rental and other income		42,625	42,625
Bond fees - amortization		(7,782)	(7,782)
Interest expense		<u>(216,682)</u>	<u>(216,682)</u>
ENDING BALANCE, MARCH 31, 2004	<u>\$</u>	<u>\$ 15,619,765</u>	<u>\$ 15,619,795</u>

HARTLAND TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2004

OPERATING REVENUES

User charges	\$ 520,567	
Connection charges	<u>837,720</u>	
Total operating revenues		\$ 1,358,287

OPERATING EXPENSES

Abandoned expansion project	\$ 995,664	
Assessments	8,527	
Consulting engineer	58,019	
Contract services	246,037	
Depreciation	255,119	
Expansion project - county	1,006,166	
Lease - equipment	50,000	
Legal fees	5,115	
Insurance	12,236	
Repair and maintenance	35,608	
Utilities	597	
Supplies and postage	953	
Printing and publications	<u>347</u>	
Total operating expenses		<u>2,674,388</u>
Operating (loss)		(1,316,101)

NON-OPERATING REVENUES (EXPENSES)

Interest income - special assessments	132,388	
Interest income - operations	9,011	
Interest income - restricted cash	111,445	
Amortization - bond fees	(7,752)	
Rental income	42,625	
Interest expense	<u>(216,682)</u>	
Total non-operating revenues (expenses)		<u>71,035</u>
Net (loss)		<u>\$ (1,245,066)</u>

HARTLAND TOWNSHIP
SEWAGE DISPOSAL SYSTEM FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2004

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Operating (loss)		\$ (1,316,101)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation	\$ 255,119	
Abandoned expansion project	1,060,878	
Rental and other income	42,625	
Changes in assets and liabilities		
(Increase) in accounts receivable	(406,220)	
Decrease in due from other funds	43,673	
Increase in accounts payable	47,866	
Increase in due to other funds	<u>912</u>	
Total adjustments		<u>1,044,853</u>
Net cash (used in) operating activities		(271,248)

CASH FLOWS FROM (USED IN) CAPITAL AND RELATED
FINANCING ACTIVITIES

Acquisition and construction of capital assets	(9,849)	
Special assessment collections - principal and interest	762,564	
Proceeds on sale on bonds	4,350,000	
Repayment of debt - contracts and bonds	<u>(933,816)</u>	
Net cash from capital and related financing activities		4,168,899

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and equivalents	<u>113,642</u>	
Net increase in cash and cash equivalents		4,011,293

CASH AND CASH EQUIVALENTS AT APRIL 1, 2003	<u>5,213,993</u>
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CASH AND CASH EQUIVALENTS AT MARCH 31, 2004	<u>\$ 9,225,286</u>
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CURRENT
TAX
COLLECTION
FUND

HARTLAND TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS
Cash

\$ 32,327

LIABILITIES

LIABILITIES
Due to general fund

\$ 32,327

TRUST
AND
AGENCY
FUND

HARTLAND TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

ASSETS
Cash

\$ 858,055

LIABILITIES

LIABILITIES
Due to general fund
Deposits - escrow

\$ 101,827

756,228

Total liabilities

\$ 858,055

CEMETERY

TRUST

FUND

HARTLAND TOWNSHIP
CEMETERY TRUST FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

UNRESTRICTED TRUST ASSETS

Cash		\$ 3,846
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RESTRICTED TRUST ASSETS

Cash		
Crouse	\$ 36,342	
George T. Arthur Trust	51,108	
Perpetual care	<u>17,343</u>	

Total restricted assets		<u>104,793</u>
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Total assets		<u>\$ 108,639</u>
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LIABILITY AND FUND BALANCE

LIABILITY

Accounts payable		\$ 9
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RESERVED FUND BALANCE

	<u>108,630</u>
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Total liabilities and reserved fund balance		<u>\$ 108,639</u>
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HARTLAND TOWNSHIP
CEMETERY TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest	\$	\$ 816	\$
Sale of cemetery lots		<u>1,903</u>	
Total revenues	<u>4,500</u>	<u>2,719</u>	<u>(1,781)</u>
EXPENDITURES			
Capital outlay		3,735	
Miscellaneous		240	
Maintenance of cemeteries		<u>18,037</u>	
Total expenditures	<u>27,850</u>	<u>22,012</u>	<u>5,838</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(23,350)	(19,293)	4,057
OTHER FINANCING SOURCES			
Operating transfers in	<u>25,000</u>		<u>(25,000)</u>
Excess (deficiency) of revenues over expenditures after other financing sources	1,650	(19,293)	(20,943)
FUND BALANCE, APRIL 1, 2003	<u>127,923</u>	<u>127,923</u>	
FUND BALANCE, MARCH 31, 2004	<u>\$ 129,573</u>	<u>\$ 108,630</u>	<u>\$ (20,943)</u>

HARTLAND TOWNSHIP

COMMENTS
AND
RECOMMENDATIONS

FOR THE YEAR ENDED MARCH 31, 2004

September 1, 2004

Board of Trustees
Hartland Township
3191 Hartland Road
Hartland, Michigan 48353

Honorable Board of Trustees:

In planning and performing our audit of the general purpose financial statements of Hartland Township for the year ended March 31, 2004, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Those matters are as follows:

1. COMMENT

Amounts held in Trust and Agency Fund were not reconciled to the general ledger. Individual escrow accounts held for developers were not being maintained regularly. Charges to individual escrow accounts exceeded deposits by the developers in several escrow accounts.

RECOMMENDATION

Monies in this fund must be reconciled regularly to reflect balances held by developers for various projects. This fund should be reconciled to the general ledger on a monthly basis. Charges to developer escrow accounts (projects) should not exceed deposits.

2. COMMENT

A list of fixed assets owned by the township was not complete, including original cost.

RECOMMENDATION

The township should catalog all fixed assets owned by the township and periodically reconcile to a physical inventory.

3. COMMENT

Special assessment activity was not reconciled to the general ledger.

RECOMMENDATION

The detailed special assessment balances should be reconciled regularly to the general ledger.

4. COMMENT

Several funds contain interfund receivable and payables from the current and prior fiscal periods.

RECOMMENDATION

These amounts should be paid as soon as possible.

5. COMMENT

Accounts receivable, utility billings and water usage could not be reconciled to the general ledger.

RECOMMENDATION

Detailed billing registers and outstanding balance reports need to be maintained and periodically reconciled to the general ledger. Township should reconcile usage with billings on a regular basis, and identify sales of consumption in excess of billings.

6. COMMENT

For the year ended March 31, 2004, we found instances where expenditures exceeded budget appropriations.

RECOMMENDATION

Before an actual expenditure exceeds the appropriated budget, the budget should be amended.

This letter does not affect our report dated September 1, 2004 on the general purpose financial statements of Hartland Township.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and recommendations with various township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees, and management of Hartland Township.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants